

CORRECTED FISCAL NOTE

SB 3954 – HB 3911

February 26, 2008

SUMMARY OF BILL: Removes the requirement that the Tennessee Foreign Language Institute (TFLI) be attached to the Board of Regents for administrative purposes.

ESTIMATED FISCAL IMPACT:

On February 15, 2008, we issued a fiscal note indicating a *net increase in state expenditures of \$60,000 and a decrease in state revenue of \$15,000/TBR*. Based on additional information, the estimated fiscal impact of this bill is:

(CORRECTED)

Increase State Expenditures - Net Impact - \$80,000

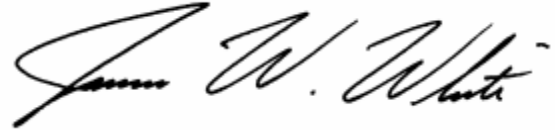
Decrease State Revenue - \$15,000 / TBR

Assumptions:

- At present the TFLI expends approximately \$15,000 (\$1,250 per month) of their budget to allow the Tennessee Board of Regents (TBR) to handle all accounting processes of the institute.
- An increase in state expenditures (\$60,000) to the TFLI if Shared Services Solutions (F&A) provides all fiscal, accounting, procurement and human resource services to TFLI that is currently provided by TBR. This cost estimate is based on the current contract amount with a similar agency for similar services provided by Shared Services Solutions.
- There would also be additional charges that include OIR, STARS, TOPS and other general state charges. The OIR charges for LAN/WAN and co-located servers are estimated to be \$15,000 per year and the general state charges are estimated to be \$5,000 per year.
- The loss of the TFLI would result in TBR redirecting current efforts spent processing TFLI business affairs. Since all TBR accounting systems are in place, there would be no significant decrease in expenditures to TBR in operating expenses.
- TBR would realize approximately \$15,000 less in revenues currently received from the TFLI.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

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